

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at City Hall, 110 West Aztec Avenue, at 6:00 p.m. on Tuesday, March 8, 2016.

The meeting was called to order by Mayor Jackie McKinney.

Upon roll call, the following were present:

Mayor: Jackie McKinney

Councilors: Linda Garcia
Allan Landavazo
Yogash Kumar
Fran Palochak

Also present: Maryann Ustick, City Manager
George Kozeliski, City Attorney

Presented to the Mayor and Councilors were the Minutes of the Regular Meeting of February 23, 2016.

Councilor Palochak made the motion to approve the aforementioned Minutes. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Landavazo, and Mayor McKinney all voted yes.

The Mayor and Councilors presented a Commendation to Niles Austin Thomas, Senior at Miyamura High School, for his accomplishments as the New Mexico Class 5A Cross Country/Track Champion.

The Mayor and Councilors presented a Commendation to Alias "AJ" Starkovich, Senior at Miyamura High School, for his accomplishments at the New Mexico Class 5A Wrestling Champion, 152-lb. Division.

Presented to the Mayor and Councilors were the following Discussion/Action Topics:

1. **Public Hearing:** Proposed Issuance of a Restaurant (Beer and Wine) License to SMC Restaurants, LLC d/b/a Wise Pies, 820 North Highway 491 – George Kozeliski, City Attorney

Mr. Kozeliski presented the information relative to conducting the public hearing on the proposed issuance of the restaurant license. He said the proposed location for the license does not violate the distance requirements under the State Liquor Control Act with regards to the location of nearby churches and schools and the proposed location is in compliance with the City's zoning regulations. The only criteria the Mayor and Councilors could disapprove the issuance of the license is if the issuance of the license would be detrimental to the public health, safety, or morals of the residents of the Local

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Option District. Disapproval by the Mayor and Councilors on public health, safety or morals must be based on evidence pertaining to the specific applicant and location.

Mayor McKinney asked if there was anyone to present testimony for or against the issuance of the license. There was none.

Councilor Landavazo said he has visited Wise Pies several times and believes the business is a great addition to the community.

Councilor Garcia made the motion to approve the issuance of a Restaurant (Beer and Wine) License to SMC Restaurants, LLC d/b/a Wise Pies, 820 North Highway 491. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Landavazo, Palochak and Mayor McKinney all voted yes.

2. Construction Contract Award for Downtown NM 118 Pedestrian Safety Improvements – Stan Henderson, Public Works Director

Mr. Henderson said the proposed project provides for traffic calming, pedestrian safety and Americans with Disabilities Act (ADA) improvements along NM Highway 118 from Strong Drive to Third Street. Originally, City staff opened construction bids on December 15, 2015 and the Mayor and Councilors awarded the project on January 12, 2016. Since the apparent low bidder was not on the New Mexico Department of Transportation's (NMDOT's) prequalified bidder's list, NMDOT would not approve the award of the contract to the low bidder. City staff re-advertised and open bids on February 18, 2016. The apparent low bidder from the re-advertised bids was Century Club Construction in the amount of \$549,268.93. Century Club Construction is on the NMDOT's prequalified bidders list and the bid is considered to be a fair and reasonable price by City staff. Mr. Henderson recommended award of the construction contract to Century Club Construction in the amount of \$549,268.93.

Discussion followed concerning the islands and the height of the curbs to be constructed, which is included in the project; the proposed landscaping and beautification improvements on the islands, which is not included in the project; the time frame for the work to be done under the project and the growth of vegetation on the roadway islands based on the work last year on North Highway 491 and East Highway 118.

Although the process of re-advertising the bids may be frustrating, Councilor Landavazo pointed out that the City will save about \$14,000 by awarding the construction contract under the re-bid.

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Following discussion, Councilor Landavazo made the motion to award the construction contract for the Downtown NM 118 Pedestrian Safety Improvements to Century Club Construction in the amount of \$549,268.93. Seconded by Councilor Kumar. Roll call: Councilors Landavazo, Kumar, Garcia, Palochak, and Mayor McKinney all voted yes.

Mayor McKinney introduced Franklin Boyd as the City's Acting Chief of Police. Acting Chief Boyd will serve in this capacity while the City recruits a replacement for Chief Robert Cron who recently retired.

3. Appointment of Franklin Boyd, Acting Chief of Police, Gallup Police Department, to the McKinley County Metropolitan Dispatch Authority (MCMDA) Board – Mayor Jackie McKinney

Mayor McKinney recommended the appointment of Acting Chief Boyd to fill the vacancy on the Board created by Chief Cron's retirement.

Councilor Palochak made the motion to approve the appointment of Acting Chief Boyd to the McKinley County Metropolitan Dispatch Authority Board. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Landavazo, and Mayor McKinney all voted yes.

4. Transfer of Surplus Equipment – Chief Eric Babcock, Gallup Fire Department

Chief Babcock presented the request to transfer surplus gym equipment from the Gallup Fire Department to the McKinley County Fire Department. The surplus gym equipment is 25 years old and the Gallup Fire Department no longer has the space to house the old equipment since they upgraded their gym equipment.

Discussion followed concerning the Mutual Aid Agreement and the cooperative relationship between the Gallup Fire Department and the McKinley County Fire Dept.

Councilor Kumar made the motion to approve the transfer of surplus gym equipment from the Gallup Fire Department to the McKinley County Fire Department. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo, Garcia, and Mayor McKinney all voted yes.

5. Ordinance No. C2016-4; An Ordinance Concerning an Increase to the Rates for Electric Service, Repealing and Replacing Title 8, Chapter 6, Section 6 of the Municipal Code of the City of Gallup in its Entirety – Richard Matzke, Director, Gallup Electric Department

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Mr. Matzke presented the proposed ordinance and an overview of the City's rate changes to its customers since the City entered into the Power Purchase Agreement with Continental Divide Electric Cooperative (CDEC) two years ago. Pursuant to the Power Purchase Agreement, the wholesale rates from CDEC increased 26.3% on July 1, 2015 and will increase 6.4% on July 1, 2016. The City's current rate ordinance includes a power cost adjustment which would have triggered an 8% increase in retail electric rates based on the July 2015 wholesale increase. The power cost adjustment was not implemented pending the results of the Electric Department Financial Plan which was prepared in conjunction with RBC Capital Markets and presented to the Mayor and Councilors on January 12, 2016. The Financial Plan included annual rate increases of 7.8% beginning Fiscal Year (FY) 2017 assuming that some of the major capital projects are funded using long term financing. An alternative model included annual rate increases of 8.75% beginning FY 2017 assuming that all capital projects are funded from cash. The proposed rate ordinance includes an average of 7.8% increase to all electric rates which would take effect for services rendered on and after July 1, 2016. The proposed increase will have a monthly impact of \$4.01 to the average residential customer and \$32.22 to the average small commercial customer. Staff plans to begin the process of selecting a rate consultant to prepare an electric rate study. The revenue requirements from the Financial Plan will be used to accurately determine the cost of serving each rate class and to ensure that electric rates reflect those costs.

Discussion followed concerning the data in the three slides provided by Mr. Matzke concerning the electric rate history for Gallup, a graph illustrating New Mexico monthly residential bills for 500 kWh consumption and a graph illustrating New Mexico commercial bills for 3,750 kWh consumption. A copy of the slides are attached hereto and made a part of these official Minutes. Further discussion pertained to the revenues needed in order to pursue the financing options outlined in the Electric Department Financial Plan for funding capital projects.

Following discussion, Councilor Landavazo made the motion to approve Ordinance No. C2016-4. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Garcia, Kumar, and Mayor McKinney all voted yes.

Mr. Matzke said the rate survey should be completed next year in time to be incorporated in the next budget process.

Comments by Public on Non-Agenda Items

As a follow-up to the discussions at Councilor Garcia's Neighborhood Association Meeting last week, Rose Marie "Shorty" Sandoval addressed the Mayor and Councilors concerning the illegal drug activities, robberies and break-ins in the community. She recommended that each Councilor create "block busters" in their districts by assigning

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block captains that would be responsible for gathering the concerns of the residents on their blocks and to encourage the residents to be watchful for illegal activities in their neighborhoods. Ms. Sandoval recommended that the Councilors have monthly meetings with their block captains to discuss the needs and concerns of the residents in their districts. She suggested that the City work with a small group of volunteers to obtain grant funding for security cameras. The cameras could be used for monitoring the residences of the elderly and low income citizens. The group could also work with City staff to obtain information from other cities on how they handle similar problems in their communities. Ms. Sandoval also asked that the City include funding for additional police officers during the upcoming budget meetings.

Kristin Lengfeld, owner of Dynamic Signs, addressed the Mayor and Councilors concerning the property damage and the number of thefts that have occurred at his place of business during the past year. He asked the Mayor and Councilors to address this problem which has also occurred to other nearby businesses.

Sylvano Corral, owner of Horizon Enterprises Plumbing and Heating, said his business is located near Dynamic Signs and has experienced similar problems as Mr. Lengfeld. Mr. Corral has spent a large amount of money to install security equipment and bars on the windows at his place of business. He does not blame the Mayor and Councilors for the problem but he blames the revolving door system where criminals are caught and released after a short time.

Lydia Garcia Usrey expressed her concerns with a recent survey that was posted on the internet which listed Gallup as the fourth dangerous city in America. She was not sure if the survey was legitimate; however, since the information has been posted online, she recommended focusing on the problems with crime by involving community members.

Lisa Gonzales expressed her concerns with a residence in her neighborhood where the sale of heroin is taking place. Tools have been stolen from her property and due to the unsafe conditions in her neighborhood she cannot allow her children to play outside her home. She has reported the criminal activities to the Police; however, the suspects are arrested and are released two days later. She asked the Mayor and Councilors' for their assistance in finding a solution to the problem.

Mayor McKinney thanked all of the previous members of the public for presenting their concerns. There have been times in the past where members of the Council have presented their concerns with locations in their districts where drug activity is prevalent. Unfortunately, the Police Department will conduct extensive investigative work for several months to arrest the offenders and after a short amount of time, the offenders are released by the court system. Mayor McKinney said Acting Chief Boyd may be

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able to offer ideas in finding a solution to the problems that were presented to the Council.

Comments by Mayor and City Councilors

Councilor Garcia said the problems that were previously presented to the Council is a personal experience for her since there were drug houses that were previously located near her residence. She became educated about the problems and ran for office to make a difference in the community. Councilor Garcia is a strong advocate for Neighborhood Associations because they work. The local judges and members of the District Attorney's Office have been invited to her Neighborhood Association meetings to provide information on the criminal court system. She also wants to change the image of the north side of Gallup and will continue to stand for her constituents in finding a solution to the problems. Councilor Garcia asked Georgene Dimas, Communications Director, MCMDA, to have a staff member from the MCMDA to provide a presentation at the next Northside Neighborhood Association Meeting. Councilor Garcia thanked Acting Chief Boyd, Lt. Edwin Yazzie and Sgt. Francie Martinez of the Gallup Police Department, for their follow-up work to the citizen inquiries at the last Northside Neighborhood Association Meeting.

Councilor Kumar said he hopes the neighborhood patrols will continue under the direction of Acting Chief Boyd. Councilor Kumar is a strong believer in Neighborhood Watch Programs as a way of addressing the problems that exist in the community. He has been in contact with the City's Risk Management Department and Joe Mesich of Advanced Technical Services concerning the implementation of a video surveillance system for the downtown area. Councilor Kumar is proposing the use of license plate readers to investigate home invasion type burglaries. He also plans for work with the new Chief of Police to devise a plan for his district. Councilor Kumar said all of the petty crime cannot be prevented due to the constant change in the demographics of Gallup; however, there are things that can be done to address the problems in the community. Councilor Kumar congratulated Niles Thomas and AJ Starkovich for their accomplishments.

Councilor Landavazo asked Acting Chief Boyd about the success of the local Crime Stoppers program. Acting Chief Boyd said the success of program has been limited as far as receiving tips through the program. Although the tipsters may remain anonymous, the Police can only take a case so far unless the informant is willing to testify against the suspect. Acting Chief Boyd said the Police Department is working with the Crime Stoppers Board by handing out Crime Stopper's business cards to the public and by making recommendations to increase the Crime Stoppers advertising, including the use of social media to disseminate information to the public. Councilor Landavazo asked that the matter be reviewed and to find ways of increasing the

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effectiveness of the Crime Stoppers program. Councilor Landavazo encouraged citizens to visit the local judges to address the problem with plea bargaining and the light sentencing of those convicted of crimes. Councilor Landavazo said the public should demand that the judges pass harsher sentences rather than slapping the wrists of criminals and allowing them back on the streets to continue their illegal activities. In honor of National Women's Day, Councilor Landavazo commended all women for all they do. Councilor Landavazo also asked Ms. Ustick to include a presentation to be made by the City's Film Liaison on the agenda of the next regular meeting. In the words of the late Nancy Reagan, Councilor Landavazo said "never forget that passion you have for God given optimism." Councilor Landavazo encouraged everyone to continue to believe and build Gallup.

Councilor Palochak thanked those who addressed the Mayor and Councilors earlier regarding their concerns. She said unless the Council hears from its citizens concerning problems in the community, it cannot address the problems. Councilor Palochak commended the City employees from the Fire Department, Police Department, Risk Management Department, Street Department and the staff from MCMDA that participated in the hazardous materials tabletop exercise on March 1, 2016. Councilor Palochak will hold Neighborhood Meetings at Stagecoach Elementary School tomorrow night at 6:00 p.m. and on Wednesday, March 16, 2016 at 6:00 p.m. at Tobe Turpen Elementary School.

Mayor McKinney asked Acting Chief Boyd for an estimate of the current number of calls per police officer at the Gallup Police Department. Acting Chief Boyd said Gallup police officers respond to twice the number of calls received by the Albuquerque Police Department, which are about 600 calls per officer per year. Mayor McKinney said the Gallup Police Department is doing the best they can do. He is hopeful Acting Chief Boyd will provide recommendations for utilizing the City's 67 police officers and 8 community service aides.

Comments by City Manager

Ms. Ustick thanked Acting Chief Boyd for accepting his assignment for a minimum of six months. She looks forward to working with Acting Chief Boyd on the budget process, crime prevention, the enhancement of Crime Stoppers, and the expansion of the Neighborhood Watch and National Night Out programs. City staff is working on the beautification of the downtown area through its partnerships with Main Street and the Business Improvement (BID). The City has an opportunity to apply for a Clean and Beautiful Grant through the Department of Tourism. The proceeds from the grant will be used on enhancements to be made to the Downtown Walkway. The BID has been working on the creation of a historic preservation district which will provide tax credits to property owners for renovating historic buildings. A local hearing on the BID's Historic

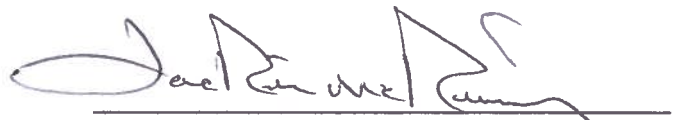
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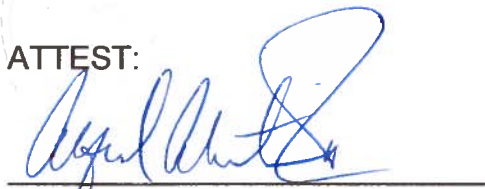
Preservation District Application will be conducted on March 15, 2016 at 5:30 p.m. at the Gallup City Council Chambers and a second hearing will take place in Santa Fe on April 8, 2016.

There being no further business, Councilor Kumar made the motion to adjourn the meeting. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Landavazo, Palochak, and Mayor McKinney all voted yes.



Jackie McKinney, Mayor

ATTEST:



Alfred Abeita II, City Clerk

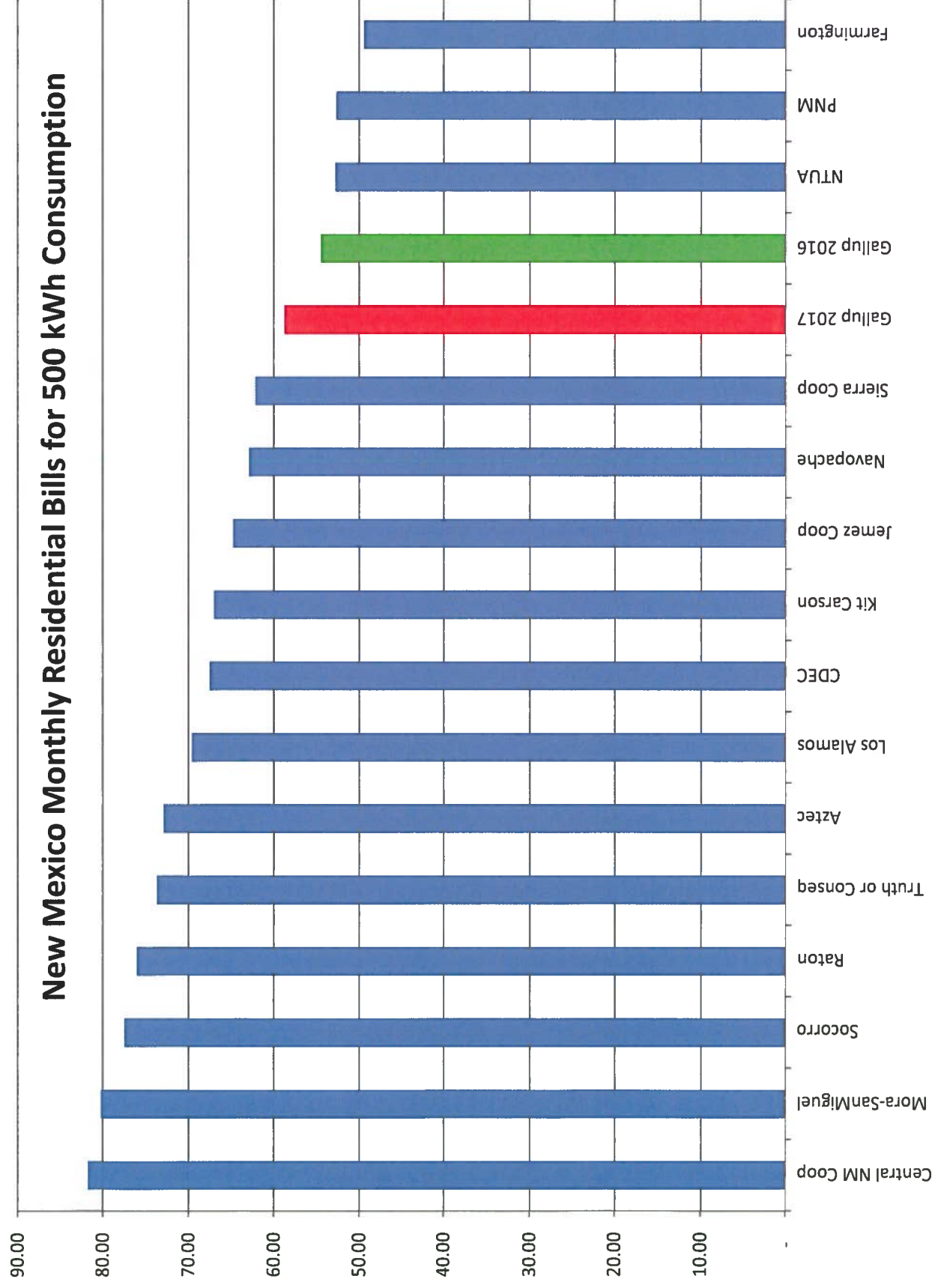
Approved 3/22/2016

Gallup Electric Rate History

Proposed Change	3.50%		Decrease		Decrease		Increase
		Oct-2013	Sep-2014	Dec-2014		Jul-2016	
	2012	12% Inc.	3.5% Dec.	Proposed			
Residential Service							
First 50 kWh	\$ 6.45	\$ 7.22	\$ 6.97	\$ 6.41	\$ 6.92		
All other kWh	\$ 0.1074	\$ 0.1203	\$ 0.1161	\$ 0.1068	\$ 0.1151		
General Service Small							
First 100 kWh	\$ 12.90	\$ 14.45	\$ 13.94	\$ 12.83	\$ 13.83		
All other kWh	\$ 0.1147	\$ 0.1285	\$ 0.1240	\$ 0.1141	\$ 0.1230		
General Service Medium							
All kWh	\$ 0.0706	\$ 0.0791	\$ 0.0791	\$ 0.0727	\$ 0.0785		
Demand							
First 100 kW	\$ 1,370.03	\$ 1,534.43	1,534.43	1,400.00	\$ 1,509.20		
Additional kW	\$ 14.20	\$ 15.90	\$ 12.85	\$ 11.96	\$ 12.89		
Municipal Service							
All kWh	\$ 0.0531	\$ 0.0595	\$ 0.0574	\$ 0.0528	\$ 0.0569		
Municipal Service - GJU							
All kWh	\$ 0.0742	\$ 0.0831	\$ 0.0802	\$ 0.0738	\$ 0.0796		
Outdoor Area Lighting							
City-owned and operated							
150 W	\$ 6.42	\$ 7.19	\$ 6.94	\$ 6.38	\$ 6.89		
250 W	\$ 14.70	\$ 16.46	\$ 15.89	\$ 14.62	\$ 15.76		
400 W	\$ 18.38	\$ 20.59	\$ 19.87	\$ 18.28	\$ 19.71		
Privately-owned and operated							
150 W	\$ 5.66	\$ 6.34	\$ 6.12	\$ 5.63	\$ 6.07		
250 W	\$ 12.95	\$ 14.50	\$ 14.00	\$ 12.88	\$ 13.88		
400 W	\$ 16.20	\$ 18.14	\$ 17.51	\$ 16.11	\$ 17.37		
Metered Street and Highway Lighting							
All kWh	\$ 0.1016	\$ 0.1138	\$ 0.1098	\$ 0.1010	0.1090		

NOTE: Proposed rates are lower than September 2014 rates.

New Mexico Monthly Residential Bills for 500 kWh Consumption



2016

New Mexico Monthly Commercial Bills for 3750 kWh Consumption

